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THE GREAT EASTERN
SHIPPING COMPANY LIMITED

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Our ref: S/0376/2012/JMT

August 09, 2012

Bombay Stock Exchange
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI-400 001

Fax no.22723121/3719

Dear Sir,

Further to our letter dated August 09, 2012 (Ref: S/0375/2012/JMT), we enclose herewith Press Release to be issued pertaining to the Unaudited Financial Results (Provisional) for the quarter ended June 30, 2012.

You are requested to take note of the above.

Thanking You,
Yours faithfully,
For The Great Eastern Shipping Co. Ltd.

Jayesh M. Trivedi
Vice President (Secl. & Legal) & Company Secretary

CC: National Stock Exchange, Mumbai Fax No.26598237

CC: Wholesale Debt Market,
National Stock Exchange, Mumbai Fax No.: 26598238

CC: Luxembourg Stock Exchange, LUXEMBOURG.
Attn: Mr. Braun – Commercial Dept. Fax No. 00(352) 477 936 275.

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PRESS RELEASE

GE Shipping Q1FY13 consolidated Net Profit at Rs.180.99 crs

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Unaudited Financial Results (Provisional) for the first quarter of FY2012-13, ended 30 June 2012.

KEY HIGHLIGHTS:

Standalone			Consolidated	
Q1 FY'13	**Q1 FY'12**	**(Amount in Rs. crs)**	**Q1 FY'13**	**Q1 FY'12**
		Income Statement		
640.57	524.60	Revenue (including other income)	979.81	792.86
276.73	244.68	EBITDA (including other income)	460.72	384.12
99.56	101.90	Net Profit	180.99	162.59
		Balance Sheet		
10174.87	9805.06	Total Assets	14367.25	12893.87
5001.43	5687.32	Equity	6195.00	6259.72
3980.31	3647.93	Long Term Debt (Gross)	6523.72	5921.42
557.41	1043.36	Long Term Debt (Net of Cash)	2492.36	2683.96
		Cash Flow		
73.79	125.61	From operating activities	222.27	270.47
384.20	(56.47)	From investing activities	358.28	(93.15)
(130.47)	2.63	From financing activities	(198.63)	(95.26)
327.52	71.77	Net cash inflow/(outflow)	381.92	82.06
		Key financial figures		
43.20%	46.64%	EBITDA Margin (%)	47.02%	48.95%
7.86%	7.28%	Return on Equity (ROE) (%)	11.88%	11.62%
7.72%	6.31%	Return on Capital Employed (ROCE) (%)	9.54%	7.79%
0.80	0.64	Gross Debt/Equity Ratio (x)	1.05	0.95
0.11	0.18	Net Debt/Equity Ratio (x)	0.40	0.43
53.11	44.58	Exchange rate USD/INR, average (Rs)	53.11	44.58
55.62	44.70	Exchange rate USD/INR, end of period (Rs)	55.62	44.70
		Share related figures		
6.54	6.69	Earnings per share, EPS (Rs)	11.88	10.68
6.52	6.68	Diluted earnings per share (Rs)	11.86	10.65
13.12	12.15	Cash Profit per share (Rs)	21.97	18.77

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Performance Review of Q1 FY 2012-13:

Break up of Revenue days (Shipping):

Revenue Days	Q1'FY13	Q1'FY12
Owned Tonnage	2,918	3,178
Inchartered Tonnage	232	213
Total Revenue Days	**3,150**	**3,391**
Total Owned Tonnage (mn.dwt)	**2.55**	**2.55**

Average TCY's earned in various categories:

Average (TCY $ per day)	Q1'FY13	Q1'FY12	% Chg
Crude Carriers	19,302	20,097	(4)%
Product Carriers (Incl. Gas)	13,770	16,326	(16)%
Dry Bulk	11,076	16,569	(33)%

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q1 FY2012-13:

During the quarter:
- The Company sold & delivered its 1996 built Medium Range product carrier "Jag Pradip" to the buyers.

- The Company took delivery of "Vasant J Sheth", a Very Large Crude Carrier (VLCC) from Hyundai Heavy Industries Ltd, South Korea and subsequently delivered the vessel to the new buyers.

- The Company sold & delivered its 1991 built LPG carrier "Jag Viraj" to the buyers.

Subsequent to the quarter:
- The Company contracted to buy a 1990 built Very Large Gas Carrier (VLGC). The vessel is expected to join the fleet in Q2FY13.

MARKET COMMENTARY:

Increase in crude oil production by Saudi Arabia and escalating Iran tension supported the crude tanker market in the first half of the quarter. But sluggish demand growth coupled with steady new fleet addition of 6% yoy resulted in weakening of charter rates in the second half of the quarter. The product tanker market remained depressed throughout the quarter, as the fleet grew 3% yoy and met subdued demand for petroleum products from western economies. Scrapping activities saw acceleration as younger tonnage continued to get scrapped reflecting difficult operating environment.

For the dry bulk, the quarter started on a positive note, with freight rates for the smaller asset segments recovered on back of improved steel & other minor bulk trades. But for the larger segments, freight rates were under pressure due to continued low iron exports from Brazil to Asia combined with relentless new fleet growth of 15% yoy. Even though there was an improvement in the scrapping activities (8.4 million dwt in the quarter), the fundamental issue of insufficient demand resulted in weakness in the dry bulk freight rates.

FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	9	9.6
Product Carriers	13	8.3
TANKERS TOTAL	**22**	**9.1**
Capesize	1	16.0
Kamsarmax	3	0.7
Panamax	1	17.0
Supramax	4	5.3
Handymax	1	15.0
DRY BULK TOTAL	**10**	**7.9**
TOTAL FLEET (2.55 mn dwt)	32	**8.7**

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OUTLOOK:

Tanker Market:
For 2013, OPEC expects oil demand to grow by 0.82 mb/d to 89.5 mb/d, whereas for 2012, it's unchanged from the previous growth forecast of 0.9 mb/d. Going forward, global economic challenges, especially the uncertain macro environment in OECD countries and geopolitical tensions will be the key areas to look out for the tanker markets. Any disruption in the Strait of Hormuz by Iran can have a significant impact on the tanker movement in the region. Even though some positive signals like lowering of bunker fuel prices & increasing in scrapping activities are seen, excessive supply coupled with uncertain oil demand will keep the tanker markets volatile.

Dry Bulk Market:
For H1CY12, scrapping in the dry bulk segment has crossed 16mn dwt mark as compared to 23mn dwt in CY2011. Even though scrapping has witnessed significant improvement, the prospect for any meaningful rise in the freight rates looks uncertain because of the massive new fleet growth. Adding to this are various factors like sluggish Chinese demand, rising inventories etc, which are further putting pressure on the existing weak market.

REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2012-13 is around Rs.332 crores. Crude tankers and product carriers are covered to the extent of around 65% and 55% of their operating days respectively. In case of dry bulk carriers, they are covered to the extent of around 21% of the fleet's operating days.

DEVELOPMENTS IN THE SUBSIDIARIES:

Greatship (India) Limited (GIL):

Sale & Purchase Activities during Q1 FY2012-13:

During the quarter:
- Greatship Global Offshore Services Pte. Ltd., a subsidiary of GIL contracted to sell its 2010 built Multipurpose Platform Supply & Support Vessel "Greatship Mamta", with expected delivery in Q2FY13.

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Subsequent to the quarter:

- Greatship Global Offshore Services Pte. Ltd., a subsidiary of GIL took delivery of a Platform/ROV Support Vessel, "Greatship Roopa" from Colombo Dockyard Plc, Sri Lanka.

- Greatship Global Offshore Services Pte. Ltd., a subsidiary of GIL delivered its 2010 built Multipurpose Platform Supply & Support Vessel "Greatship Mamta" to the buyers.

GIL and its subsidiaries currently own and operate assets in the following categories.

Categories	No. of assets
Offshore Logistics	
-Platform Supply Vessels (PSV)	4
- Anchor Handling Tug cum Supply Vessels (AHTSV)	9
- Multipurpose Platform Supply and Support Vessels (MPSSV)	2
- Platform/ ROV Support Vessels (ROVSV)	4
Drilling Services	
-350 ft Jackup Rigs	2
Total	**21**

GIL and its subsidiaries have a total capex commitment of around US$ 236 mn for an order book of two Platform/ ROV Support Vessels (ROVSV) in Sri Lanka and one 350 feet jack up rig in Dubai.

OUTLOOK:

Emerging markets led by China and India have taken up the slack in demand from developed markets and have provided some support to the oil price, and therefore to E&P activities. However, recent signs of moderation in growth in emerging economies make the medium term outlook slightly uncertain. A sustained drop in oil price can impact activity in the offshore sector significantly.

Growth markets of West Africa and South America continue to absorb capacity from other regions. But steady new building capacity is expected over next 2-3 years, which can put pressure on the charter rates. Since the current world fleet's age profile remains skewed towards older tonnage, any safety-led phase out and replacement of the older fleet will have a positive impact on the charter rates and utilization.

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REVENUE VISIBILITY:

The revenue visibility for the balance part of FY 2012-13 is around Rs.732 crores. PSVs and AHTSVs are covered to the extent of around 53% and 69% of their operating days respectively. ROVSVs and MPSSVs have coverage of around 65% and 34% for the balance part of FY2013. In case of Jackup rigs, they are covered to the extent of 100% of the operating days.

Place: Mumbai

Date: 9th August, 2012

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For further details, please email us at corp_comm@greatship.com

Q1 FY13 Earnings Call scheduled at **4:30 pm (IST) on Friday, 10th August 2012.**
To participate, kindly dial **(+91) - 22 – 67934400**